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ABSTRACT

Analysis of data pertaining to the nature, scope, and effectiveness of business involvement in employment and training programs reveals that private sector experiments in employment and training, such as the Comprehensive Employment and Training Act (CETA) Title VII and the Skill Training Improvement Program (STIP), have produced results superior to those of standard CETA programs. The private sector programs examined generally exhibit higher placement and lower cost-per-placement rates than do their federally funded counterparts. While it is clear that business involvement can make a major difference in program results, it is equally clear that private sector involvement in employment-related programs has been limited. This is largely due to numerous obstacles in the CETA system, including a lack of funding, a lack of authority over staff and resources, and a lack of flexibility in program design. To encourage solid business participation in employment-related programs the federal government must work to improve the public image of CETA and to prepare the ground for local public/private action, rather than continue its heavily regulated and fragmented approach to administering CETA. (MN)

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THE ROLE OF BUSINESS
IN
EMPLOYMENT AND TRAINING

NATIONAL ALLIANCE OF BUSINESS

MARCH, 1982

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EXECUTIVE SUMMARY

The purpose of this paper is to examine briefly the experience accumulated thus far with respect to business involvement in employment and training programs in order to address the following key questions:

- Does private sector involvement in planning, designing and managing employment and training programs make a difference? If yes, how significant a difference?

- How come private sector involvement in employment and training has been minimal in the majority of cases? Is widespread private sector involvement likely to occur in a revised system?

BUSINESS INVOLVEMENT DOES MAKE A DIFFERENCE

There is ample evidence that private sector experiments in employment and training, such as CETA Title VII and the Skill Training Improvement Program (STIP) produced results superior to those of standard CETA programs. Preliminary Department of Labor figures, for example, indicate that the Title VII job placement rate for FY '81 was 25% higher than Title IIb -- at a 21% lower cost per placement. In addition, the national data do not support charges that Title VII programs serve a less disadvantaged clientele than other CETA programs. This is a substantial accomplishment when one considers that:

- Many PICs are still in a formative stage. The majority of PICs were created during FY '80. Less than 10% of prime sponsors had begun PSIP services by January 1, 1980.

- The majority of PICs will be granted less than $50,000 in FY 1982 administrative funds and, therefore, have minimal staff support compared to the prime sponsor, and must rely heavily, if not exclusively, on prime sponsor staff for program planning and administration.

- Title VII is subject to the same complex overregulation and oversight as other CETA titles. For this reason alone, PSIP represents a limited opportunity for business control, initiative and leadership because it requires a year just to become familiar with the system, let alone improve it.

- CETA performance measures miss the most important and creative contributions of many Private Industry Councils -- that is, marketing local training and economic development programs and, in general, functioning as an intermediary between business employers and various education, training, and development programs. Hence, when the Buffalo PIC played a key role in saving 1400 General Motors jobs, it was not credited in CETA performance measures.

The results of the Skill Training Improvement Program (STIP), an earlier experiment with private sector involvement, are similar to Title VII. STIP placement rates were 25% higher than Titles I and II for FY 1979 and FY 1980 combined (during which 85% of STIP placements occurred). Although STIP cost 37% more per individual, the quality of the job placements fully justified the additional cost: STIP was more than twice as effective in raising client wages as other CETA programs. STIP data suggest clients experienced excellent increases in skill levels, productivity, occupational niche and, probably, prospects for upward mobility.

Perhaps a better way to assess the effect of business involvement in employment and training is to look at individual PICs and primes which, despite obstacles, have clearly succeeded in linking with the local business community. Whether judged by DOL performance standards or other, perhaps more appropriate measures, the quality of programs in such places as Buffalo, Boston, Baltimore, Cumberland County, Maine and many others is high. Placement rates above 70% and 80% are common. In some localities, such as Erie, Pennsylvania, training programs provide such a valuable service that, business employers actually reimburse the PIC for all training costs if a worker proves job-ready after 45 days of employment. When 80% of the individuals are retrained, as they are in Erie, this represents the kind of extraordinary achievement that cannot be described by DOL statistics alone.

Business Will Participate

It is clear that business involvement in the employment and training process can make a major difference in program results, but it is equally clear that private sector participation in employment-related programs has been limited. Some argue that widespread and serious business involvement will never happen because the business community is not interested in employment and training programs and will not commit the necessary resources, staff, and time. The evidence suggests otherwise.

A close look as PSIP and STIP reveals the business community has demonstrated widespread interest in employment and training programs, but the external constraints imposed by the design and history of CETA have limited the business role to a minimum. Evidence of strong business interest includes: 1) The Ohio State University evaluation of Title VII, which found that in 18 of 25 sites a medium to high degree of participation by the business community occurred in either or both PSIP and CETA; and 2) Randall Ripley's and Grace Franklin's study, "Private Sector Involvement in Employment and Training Programs", which states that "private sector involvement in STIP was fairly heavy... some sort of direct private sector participation was present in about two-thirds of the projects" despite the fact that STIP was a very limited, short-lived initiative.

Business interest, however, differs from business leadership. Numerous obstacles in the CETA system have limited the business

role in STIP, PSIP, and CETA. These include lack of time -- STIP was discontinued after 3 years, and PSIP has been funded at a system-wide level for little more than two -- and lack of authority over staff and resources, lack of funding, and lack of flexibility in program design. There are, too, even more fundamental barriers inherent in CETA and other employment programs which strongly discourage business participation. These include:

CETA'S PUBLIC IMAGE

The public sees CETA most commonly as Public Service Employment programs, which means: 1) the image of public employment, not private or business employment; and 2) the stigma of "bad press" surrounding funding abuse, fraud, "make-work" jobs, etc. This hurdle must be overcome each time a business person is asked to participate in CETA.

- Evidence suggests that four of five corporate executives have not heard of Private Industry Councils.

Confusing Delivery System

- There are many labor markets that are served by four, five, or even six prime sponsors, as many PICs, and an entirely separate network of Employment Service and Vocational Education agents. It stands to reason that business persons and the public are confused about and put off by these unnecessary complexities.

In sum, the evidence clearly suggests that business <u>interest</u> in employment and training is substantial and widespread, even under difficult circumstances. Actual business input in program planning and decision making, however, has been limited and inconsistent because of contraints imposed by the programs themselves. Before business leadership can be fully mobilized, many of these fundamental obstacles must be removed.

Toward a Future Employment and Training System

With PSE eliminated and government reducing expenditures and employment, it is more critical than ever to obtain solid business participation in employment-related programs. There is strong evidence that private sector input, even under constrained circumstances, results in substantial improvements in program quality. There is also considerable evidence that business persons want to participate, but serious flaws in the management, structure, public image, and marketing of employment and training programs have prevented the business community from taking a leadership role. These obstacles must be removed to make possible the creation of a strong public/private partnership based on cooperation and shared decision making. This does not mean that federal government initiative and leadership is any less crucial. It does mean that a more appropriate federal role is not to continue the heavily regulated and fragmented approach which characterizes existing employment and training programs, but to prepare the ground for local public/private action.

INTRODUCTION

The purpose of this paper is to examine briefly accumulated experience about business involvement in employment and training programs in order to address the following key questions:

- Does private sector involvement in planning, designing, and managing employment and training programs result in improved program results?
- Why has private sector involvement in employment and training been minimal in the majority of cases? Is widespread private sector involvement likely to occur in a revised system?

A great deal of attention has been focused on the role of business in employment and training programs during the past several years. The authorization of the CETA Title VII Private Sector Initiative Program in 1978 created Private Industry Councils expressly to expand the business role in local employment training, economic development, and education activities. Proponents of Title VII and similar initiatives stress that:

- Business is a critical client, ultimately, of training programs, since over 80% of job opportunities are created by the private sector.
- Public education and training programs have been notably unresponsive to the needs of business employers.
- The public sector has neither the resources nor the expertise to tackle structural unemployment problems alone.
- Business persons will bring a bottom-line, results-oriented approach to program management.
- A visible business role will facilitate marketing training programs to other businesses.

In fact, the concept of strengthening public/private partnerships to achieve common goals has become central to many fields of public policy, including economic and community development as well as employment and training.

Some people, however, question the commitment of business leaders to anything but corporate profits. As proof, critics point to a long-standing disinterest in CETA and other government programs by business. Some who oppose change in the existing system argue that private sector initiatives such as PSIP and STIP have met with limited success and, therefore, do not justify a significantly expanded business role in the system. A close look at evidence and historical circumstances surrounding CETA does not support this view.

OVERVIEW OF EXPERIENCE

Though the CETA Title VII program that created PICs is the most visible and broad-based experiment with business involvement, it is by no means the only experience to draw upon. Another important national initiative, a precursor to Title VII, which was intended to increase business input was the Skill Training Improvement Program (STIP). STIP provided prime sponsors the opportunity to work with business in designing and implementing training programs for the economically disadvantaged. STIP programs emphasized customized training for individual firms and provided up to 18 months training in high-skill, high-wage occupations. A total of $325 million was appropriated to this program during 1977 and 1978.

Perhaps more important than these national programs are local initiatives undertaken by prime sponsors and PICs to improve business involvement in employment and training programs. Outstanding examples are in South Carolina, West Virginia, Buffalo, Erie (Pennsylvania), Boston, Cumberland County (Maine), Atlanta, and elsewhere.

These national and local initiatives to increase business input in employment and training decision making and management are examined briefly in the light of the key questions above.

DOES BUSINESS INVOLVEMENT MAKE A DIFFERENCE?

Business involvement clearly makes a difference in job placement at the end of training. This is especially true now that Public Service Employment funding has been eliminated and government is reducing spending and employment. But what difference does business involvement make during the critical and intermediate stages of the employment and training process? Does private sector involvement result in improved efficiency? In increased job opportunities for the disadvantaged? In improved quality training? In positive impacts on local education and economic development activity? Or does business involvement make little difference in program quality and create pressure to screen out the more disadvantaged clients?

There is ample evidence that private sector experiments in employment and training such as CETA Title VII and the Skill Training Improvement Program (STIP), produced results superior to those of standard CETA programs. Preliminary fiscal year 1981 data, for example, show Title VII placements rates are 23% higher than IIb --and at a 21% lower cost per placement. Furthermore, participant characteristics data do not show that Title VII clients are less disadvantaged than IIb clients (See appendix I for performance data).

The PIC experience and Title II/VII comparisons, however, must be evaluated in relation to the overall design and history of CETA and Title VII. A closer look suggests that Title II/VII comparisons are unfair to both prime sponsors and PICs and probably underestimate the effect of business involvement on program quality.

The major problem in comparing Title VII and IIb performance is that the PSIP program is an integral part of the prime sponsor system and, therefore, cannot legitimately be evaluated as a separate program. Specifically:

- Prime sponsor guidance and direction has played a critical role in PSIP because many PICs are still in a formative stage of their existence. The majority of PICs were created during FY 1980. Moreover, less than 10% of prime sponsors had began PSIP services by January 1, 1980 according to the Department of Labor.

- PICs were mandated to work with and complement other CETA programs -- not to operate as an independent system. Title VII funding levels are not geared toward setting up independent employment and training systems. The majority of PICs will be granted less than $50,000 in administrative funding during FY 1982. Under such circumstances, most PICs must rely heavily, if not exclusively, on prime sponsor staff for planning, administration, program operation and oversight.

- By legislative mandate, prime sponsors ultimately are responsible and accountable for all Title VII activities. PICs, therefore, possess limited authority for such basic management decisions as staffing and administrative funding. This is evidenced by the events of the past year -- prime sponsor reallocations of Title VII administrative funds without PIC concurrence, for example.

- Title VII is subject to the same complex over-regulation and program oversight as other CETA titles. For this reason alone, PSIP represents a very limited opportunity for business control, initiative, and leadership. It requires a year to become familiar with this system, let alone improve it. Considering that most PICs have been in existence for little more than a year, the improved program results are impressive.

- Title VII performance measures are nearly identical to those of IIb. They miss the most important and creative contributions of many Private Industry Councils. These include tying in with EGS activities, marketing local economic development programs and facilitating a link between business employers and local education, training, employment, and economic development activities. Hence, when the Buffalo PIC played a key role in saving 1400 local General Motors jobs, it was not credited in the CETA performance measures.

1) <u>The distinction between Titles VII and IIb is very blurred</u>.

Many prime sponsors, in effect, control and operate Title VII programs, whereas many PICs have a substantial advisory, oversight, and marketing role vis-a-vis IIb programs. The latter is especially true where the PIC has merged with the Prime Sponsor Planning Council. Therefore, the work of PICs vs. "primes" cannot be split distinctly along VII/IIb lines. This finding is borne out by a recent study by Sar Levitan and Richard Belous, "Bridges to the Private Sector; Remedial Employment and Training Programs", which concludes that only about one in ten PICs was really an active body separate from normal prime sponsor operations.

2) <u>It cannot be assumed that all PICs are models of serious business involvement and that all "prime sponsors" are not</u>.

PICs are too new to have evolved into truly business-led organizations. Moreover, the design and execution of the PSIP program, and of CETA programs in general, has placed many PICs in more of an advisory than a leadership role vis-a-vis CETA activities. Conversely, some prime sponsors have developed fairly strong relationships with the local business sector. Hence, IIb programs are not an ideal "control group" for comparative purposes.

All of these circumstances contribute to the dilution of the meaning in comparisons between IIb and VII business involvement. When this is considered, Title VII performance figures are strong testimony to the positive effects of even limited business involvement in an employment and training system which has done much to limit that role.

STIP

STIP performance follows the same patterns as PSIP. In fact, the short-lived STIP program may be a more legitimate example of a program which did involve business across the board. Randall Ripley and Grace Franklin state in their recent study, "Private Sector Involvement in Public Employment and Training Programs":

Private sector participation in STIP was fairly heavy. It was especially in evidence in relation to the design of training programs, the placement of graduates, and promoting a better image for CETA training in the business community. Some sort of private sector participation was present in about two-thirds of the projects. Private sector program oversight committees were particularly important in relation to program design.

Aggregate data for FY 1979 and FY 1980, during which 85% of STIP terminations took place, suggest again that business involvement did "make a difference." During this two-year period STIP achieved a 55% placement rate at a cost per placement of $5763. Titles I and II achieved a 44% placement rate at a cost of $4367 per placement. The higher cost figures for STIP are directly related to the longer term training which was part of this program design. Evidence suggests that the higher cost of the more intensive training was justified in terms of higher quality placements: FY 1980 data show that the average STIP placement experienced a wage gain from $3.45 per hour to $4.78 per hour. By comparison, Title I and II placements experienced a wage gain from $3.11 per hour to $3.76 per hour. In addition, nearly all STIP placements were in the private sector.

These data suggest that STIP was more than twice as effective in raising wage levels. More importantly, the data suggest a major qualitative difference in the programs. At best, the $3.11 to $3.76 wage gain does not suggest a significant change in the type of job or skill levels of clients before vs. after training. These clients remain at or near the bottom of the job ladder. The $3.43 to $4.78 change, however, suggests a quantum leap in skill levels, productivity, occupational niche and, probably, prospects for upward mobility. In effect, these clients moved up a rung on the job ladder.

A significant fact is that STIP employers do not appear to have pre-selected clients on the basis of race or economic status. In fact, STIP programs consistently involved a higher percentage of blacks than IIb programs. STIP programs, however, did favor high school graduates over non-graduates, compared with IIb programs. In addition, the higher starting wage levels ($3.43 per hour vs. $3.11 per hour) indicate a minimal amount of client pre-selection. (See Chart III) This nearly insignificant screening has frequently been exaggerated by critics and labeled with the epithet "creaming." In fact, STIP programs did serve, as much as did other CETA programs, the economically disadvantaged and minorities. The screening in favor of high school graduates simply appears to reflect that STIP programs concentrated less on in-school youth, which was sensible in view of the intensive skill training associated with this program. The client selection figures presented here do not offset the higher placement rates and more significant benefits in terms of job status experienced by STIP clients.

What is surprising about STIP is that a clear difference in the quality and quantity of STIP placements which occurred despite the fact that the program was new and experimental and despite the fact, also, that STIP programs were operated by the same prime sponsor staff that

operated other CETA programs. This again suggests that, under constrained circumstances, limited business involvement made a significant quantitative and qualitative difference in results.

Local Experience

One of the problems with national statistics is that they do not differentiate between sites which do not involve businesses in a significant way with sites which did. For instance, research indicates that two-thirds of the STIP sites had significant business input, so it follows that one-third did not. If it were possible to select and measure only those sites which did involve business, it is likely that the data would show an even stronger correlation between business input and program results. A national evaluation of this kind has not been carried out. A better perspective on the effect of business involvement, however, might be obtained in an informal way by examining individual PICs and/or prime sponsors where it is clear and agreed upon that serious business involvement has taken place for an extended time.

One example is the Erie, Pennsylvania, Private Industry Council, which developed an "Underwriting Program" that is a model of business-responsive programming and private sector support. Under this program, businesses reimburse the PIC for all training costs when an employee is retained for over 45 days. Businesses have done that in 80% of the cases. This reduces government training costs considerably. The underwriting program is particularly useful to smaller businesses, according to PIC staff, because small firms do not have the capacity to develop their own training programs. The fact that small firms are willing to pay for training costs 80% of the time is strong testimony to the quality of training services provided by the PIC. Overall, the Erie PIC has achieved an 85% entered employment rate during FY 1981 in the face of a weak local economy.

Another outstanding example is the West Virginia Private Industry Council. It has achieved an 88% entered-employment rate during FY 1981, which staff attributes to high quality management. Particularly significant is the performance-based contracting procedure used by the PIC that ties subcontractor reimbursement to program outcomes. This approach appears to produce significantly better results where it has been widely applied. Cases such as Erie, Pennsylvania, and Buffalo, New York, as well as reports by PIC and CETA staff obtained at NAB's Regional Policy Seminars last fall, support this observation.

Dade County, Florida, uses a slightly different approach to contract management. Employers there are required to hire individuals before training takes place. This "start with the job and work backwards" approach 1) ensures that there is a job opening at the end of the training process, and 2) provides a strong incentive to make training relevant to the employer's specific requirements. The Dade County PIC has achieved a 72% entered-employment rate at a public cost of $2,600 per placement. (Considerable private funding also supports training efforts.) Staff points out that one of the most important services the PIC provides to employers is handling all the paperwork and red tape, thereby encouraging participation in the government-initiated program.

EGS and Brokering Functions

The most significant contribution of a PIC or other business-led entity, in numerous cases, is brokering between business firms and the wide array of education, training, and economic development programs existing in most locales -an activity which does not show up in DOL performance statistics. Marketing, outreach, and "packaging" functions in support of public programs are often weak due to a lack of business contacts by government staff and a lack of public funds to support activities other than planning, program operation, and administration. Some Private Industry Councils have played the same kind of critical brokering role that economic development corporations play. In cities such as Buffalo the PIC has worked closely with the Erie County Industrial Development Authority to jointly package education, training, and economic development programs to retain and help expansion of area business firms. (The PIC and the County IDA at one time shared the same executive director.)

A classic case of how a business-led intermediary can help a community organize its resources to respond to critical labor market problems is the Cheverolet L-4 engine training program organized by the PIC for the General Motors Tonawanda plant in Erie County. Production of the L-4 engine will involve a major departure from conventional assembly line and quality control procedures in an effort to compete more effectively with foreign automakers. The new procedures require extensive worker retraining and will also result in the re-employment of hundreds of laid-off workers. A total of 1400 jobs will be retained as a result of this contract, and an additional 1400 may be employed within 18 to 24 months, if market response warrants increased production.

The Buffalo and Erie County PIC coordinated the development of the training program which involved numerous disparate entities including: The Erie Board of Cooperative Educational Services (a Voc Ed program), the Erie Community College, the State Occupational Education Regional Planning Office, the Center for Applied Research of the State University of New York, the United Auto Workers Local 774, the Chevrolet/Tonawanda Motor Division, and some direct services from the Buffalo and Erie County PIC itself.

The Chevrolet L-4 training package is precisely the kind of function which is best accomplished by a business-led intermediary and which is not reflected adequately in DOL performance statistics.

BUSINESS WILL PARTICIPATE

It is clear that serious business involvement in the employment and training process can make a major difference in program results, and it is also clear that private sector participation in employment-related programs has been limited. Some argue that widespread and serious business involvement will never occur because the business community is not interested in employment and training programs and will not commit the required resources, staff, and time. The evidence suggests otherwise.

A close look at PSIP and STIP reveals that the business community has shown widespread interest in employment and training programs but that external constraints imposed by the design and history of these programs limited the business role to a minimum. Indications of strong business interest include: 1) The Ohio State University evaluation of Title VII found that in 18 of 25 sites a medium to high degree of participation by the business community occurred in either or both PSIP and CETA; 2) Randall Ripley's and Grace Franklin's study, "Private Sector Involvement in Employment Training Programs," states that "private sector involvement in STIP was fairly heavy....some sort of direct private sector participation was present in about two-thirds of the projects" despite the fact that STIP was limited and short-lived; and 3) participants at NAB's 14 Policy Seminars last fall suggested that significant private sector input in Title VII is happening only now. It is easy to forget that the majority of PICs were created during the FY 1980 and, thus, are little more than a year old.

Obstacles to Business Participation

Business interest, however, is not the same as business leadership. Numerous obstacles in the CETA system have limited the business role in relation to STIP, PSIP and CETA. These include lack of time (STIP was discontinued after 3 years and PSIP has been funded at a system-wide level for little more than two) and lack of authority over staff and resources, lack of funding, and lack of flexibility in program design. There are, too, additional and even more fundamental barriers inherent in CETA and other employment programs which strongly discourage business participation.

One of the key barriers is CETA's public image. In the public's mind, CETA is commonly associated with Public Service Employment programs. This carries with it two stigmas: the first relates CETA with public employment, not private sector employment, and the second is the bad press surrounding PSE concerning funding abuse, fraud, "make-work" jobs, etc. The fact that the CETA name has been deleted from FY '83 legislative proposals is an indicator of public perceptions. This is a tall hurdle that must be scaled each time a business person is approached about participating in CETA.

Another barrier to business involvement is the lack of marketing and outreach regarding private sector initiatives. A survey of business executives conducted in 1979 by Opinion

Research Corporation showed that only 12% had heard of Private Industry Councils. Though 1979 probably was too early to judge public perceptions of PSIP, the situation does not seem to have changed markedly. At a recent NAB meeting of business executives in the midwest, most of whom were corporate personnel directors or vice presidents for human development, 85% had no knowledge of what a PIC is. The meeting was about national employment and training policy, so the participants were interested. It seems clear that considerable potential has remained untapped in terms of private sector resources and commitment.

In-depth discussions at NAB's Regional Policy Seminars and an evaluation of NAB's Planning Management and Evaluation (PME) Demonstration Project for PICs reveal an added barrier to business leadership in Title VII. That is, many PIC members as well as staff see much ambiguity about the role of PIC's in the CETA system. In particular, uncertainly exists on whether:

- The PIC should operate independently from other CETA programs
- The PIC should function as a direct program operator or as an intermediary between the business community and local employment, training, education, and economic development program
- The PIC is an advisory body or a decision making unit
- The PIC has authority over staffing and administrative matters
- The prime sponsor actively supports the PIC or sees the PIC as a competitor

In addition, the Department of Labor practice of communicating with PICs only indirectly through prime sponsors has made it difficult for PICs to obtain a direct reading of what the federal mandate is regarding PIC functions. This lack of a clear, authoritative role for PIC's has impeded the development of the private sector role in Title VII and in all of CETA.

Finally, there are serious difficulties beyond the deficiencies of the CETA program. Most important among these is a fragmented and confusing delivery system which splits labor exchange functions from training functions and which divides labor markets into arbitrary, non-economic units. Many labor markets are served by four, five, or six prime sponsors, and as many Private Industry Councils, and a separate network of Employment Service Offices. No one has conducted an attitudinal survey to measure precisely how business persons react to this fragmented system. It stands to reason, however, that business persons and the public in general are confused about and largely ignorant of the systems' complexities.

In sum, the evidence shows that business interest in employment and training is substantial and widespread, even under difficult circumstances. Actual business contributions to program planning and decision making, however, have been limited and inconsistent because

of constraints imposed by the programs themselves. Before widespread business leadership can be fully mobilized in the employment and training system, these fundamental constraints must be eliminated.

THE FUTURE

The contribution of joint public/private efforts toward achieving national employment and training objectives is documented by a brief review of key evidence regarding CETA Title VII and STIP initiatives. The evidence shows that even limited business involvement in employment-related programs makes a striking qualitative, as well as quantitative, difference in results whether judged by DOL performance standards or other measures. The quality of programs involving business in planning and decision making is consistently higher than those which lack business input. Charges that serious business input is likely to occur in only a select communities are not substantiated by recent evaluations of PSIP and STIP. In each it was found that considerable business participation occurred in about two-thirds of the examined sites despite numerous obstacles in the CETA system which limited business input, such as lack of time, lack of authority over staff and resources, lack of funding, and lack of flexibility in program design.

Serious obstacles in the management, structure, public image, and marketing of employment and training programs, however, have limited the business community in adopting a leadership role. Before national employment and training objectives can be achieved, these obstacles must be removed to make possible the creation of a strong public/private partnership based on cooperation and shared decision making. This does not mean that government initiative and leadership is any less crucial. It does mean that a more appropriate federal role is not to continue the heavily regulated and fragmented approach which characterizes existing employment and training programs, but to prepare the ground for local public/private action.

Department of Labor Program Totals

Department of Labor -- EPA Program Totals
For Quarter ending 9-30-81
Data as of 2-03-82

			Title IIa,b,c	Title VII
1.	Total Terminations		776,358	85,659
2.	Entered Unsubsidized Employment		304,274	40,878
3.	Transfers to Other Sub-Parts		64,944	9,013
4.	Total Expenditures $(000,000)	$	1.492	$ 185.30
5.	Expenditures for Other Activities $(000,000) (DOL proxy for EGS expenditures)	$	-	26.20
6.	Entered Employment Rate ((2/(1-3))*		42.77%	53.3%
7.	Cost per Entered Employment ((4 - 5)/2)*	$	4,904	$ 3,892

* Numbers in these formulas refer to the listing of the items in this chart, e.g., 1 means Total Terminations

APPENDIX Chart II

Department of Labor -- Quarterly Summary of Participant Characteristics

For Quarter Ending 9-30-81
Data as of 2-03-82

	Title IIa,b,c % Entered Employment	Title VII % Entered Employment
Economic Status		
Less than 70% OMB lower living standard	95.6	95.0
71% - 85% LLS	1.1	1.5
80% - 100% LLS	1.0	1.1
Greater than 100% LLS	2.1	2.1
Race/Ethnic Group		
White	56.3	53.3
Black	25.7	30.2
Hispanic	13.1	11.5
Public Assistance Status		
AFDC	15.3	14.3
SSI	2.8	2.2
Total Public Assistance	21.7	20.4
Education Status		
School Dropout	29.3	26.9
Student (H.S. or less)	4.7	2.5
High School grad./no post High School	47.9	50.4
Post High School Attendee	18.1	20.2

XX2

Department of Labor – ETA Program Totals
(FY 1979 and FY 1980 combined)

		Title IIa,b,c	STIP
1.	Total Terminations	1,615,308	35,901
2.	Entered Employment '80 Total Placements '79	653,599	18,423
3.	Transfers to Other Subparts/Titles	136,436	2,290
4.	Total Expenditures (000,000)	$ 2,856.30	$ 106.20
5.	Entered Employment/Placement Rate ((2)/(1) - (3))*	44.2%	54.8%
6.	Cost per Entered Employment/Placement (4/2)*	$ 4,367	$ 5,764

* Numbers in these formulas refer to the listing of the items in this chart, e.g. 1 means Total Terminations.

Department of Labor - Quarterly Summary of Participant Characteristics
(For Quarter Ending 9-30-80)

	Title IIa,b,c % Entered Employment	STIP % Entered Employment
Economic Status		
Less than 70% OMB lower living standards	94.5	94.1
71% - 85% LLS	1.7	0.8
86% - 100 LLS	1.6	3.3
over 100% LLS	1.6	0.9
Race/Ethnic Group		
White	52.5	46.6
Black	28.2	37.9
Hispanic	14.6	11.3
Public Assistance Status		
AFDC	14.1	12.7
SSI	2.8	3.7
Total Public Assistance	19.0	18.3
Education Status		
Dropout	29.6	17.8
Student (High School or Less)	4.3	2.8
High School Graduate/No Post High School	48.3	58.3
Post High School Attendee	17.9	21.1